

2023 -- H 6403

LC003010

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO EDUCATION -- FOUNDATION LEVEL SCHOOL SUPPORT

Introduced By: Representatives McNamara, Solomon, Vella-Wilkinson, and Shanley

Date Introduced: May 12, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-7-41.1 of the General Laws in Chapter 16-7 entitled "Foundation  
2 Level School Support [See Title 16 Chapter 97 — The Rhode Island Board of Education Act]" is  
3 hereby amended to read as follows:

4 **16-7-41.1. Eligibility for reimbursement.**

5 (a) School districts, not municipalities, may apply for and obtain approval for a project  
6 under the necessity of school construction process set forth in the regulations of the council on  
7 elementary and secondary education, provided, however, in the case of a municipality that issues  
8 bonds through the Rhode Island health and educational building corporation to finance or refinance  
9 school facilities for a school district that is not part of the municipality, the municipality may apply  
10 for and obtain approval for a project. Such approval will remain valid until June 30 of the third  
11 fiscal year following the fiscal year in which the council on elementary and secondary education's  
12 approval is granted. Only those projects undertaken at school facilities under the care and control  
13 of the school committee and located on school property may qualify for reimbursement under §§  
14 16-7-35 — 16-7-47. Facilities with combined school and municipal uses or facilities that are  
15 operated jointly with any other profit or nonprofit agency do not qualify for reimbursement under  
16 §§ 16-7-35 — 16-7-47. Projects completed by June 30 of a fiscal year are eligible for [principal](#)  
17 reimbursement in the following fiscal year. [Interest payments on approved projects are eligible for](#)  
18 [state reimbursement each fiscal year commencing with the first interest payment date irrespective](#)  
19 [of project completion.](#) A project for new school housing or additional housing shall be deemed to

1 be completed when the work has been officially accepted by the school committee or when the  
2 housing is occupied for its intended use by the school committee, whichever is earlier.

3 (b) Notwithstanding the provisions of this section, the board of regents shall not grant final  
4 approval for any project between June 30, 2011, and May 1, 2015, except for projects that are  
5 necessitated by immediate health and safety reasons. In the event that a project is requested during  
6 the moratorium because of immediate health and safety reasons, those proposals shall be reported  
7 to the chairs of the house and senate finance committees.

8 (c) Any project approval granted prior to the adoption of the school construction  
9 regulations in 2007, and which are currently inactive; and any project approval granted prior to the  
10 adoption of the school construction regulations in 2007 which did not receive voter approval or  
11 which has not been previously financed, are no longer eligible for reimbursement under this  
12 chapter. The department of elementary and secondary education shall develop recommendations  
13 for further cost containment strategies in the school housing aid program.

14 (d) Beginning July 1, 2015, the council on elementary and secondary education shall  
15 approve new necessity of school construction applications on an annual basis. The department of  
16 elementary and secondary education shall develop an annual application timeline for local  
17 education agencies seeking new necessity of school construction approvals.

18 (e) Beginning July 1, 2019, no state funding shall be provided for projects in excess of ten  
19 million dollars (\$10,000,000) unless the prime contractor for the project has received  
20 prequalification from the school building authority.

21 (f) Beginning July 1, 2019, the necessity of school construction process set forth in the  
22 regulations of the council on elementary and secondary education shall include a single statewide  
23 process, developed with the consultation of the department of environmental management, that will  
24 ensure community involvement throughout the investigation and remediation of contaminated  
25 building sites for possible reuse as the location of a school. That process will fulfill all provisions  
26 of § 23-19.14-5 related to the investigation of reuse of such sites for schools.

27 (g) Beginning July 1, 2019, school housing projects exceeding one million five hundred  
28 thousand dollars (\$1,500,000) subject to inflation shall include an owner's program manager and a  
29 commissioning agent. The cost of the program manager and commissioning agent shall be  
30 considered a project cost eligible for aid pursuant to §§ 16-7-41 and 16-105-5.

31 (h) Temporary housing, or swing space, for students shall be a reimbursable expense so  
32 long as a district can demonstrate that no other viable option to temporarily house students exists  
33 and provided that use of the temporary space is time limited for a period not to exceed twenty-four  
34 (24) months and tied to a specific construction project.

1 (i) Environmental site remediation, as defined by the school building authority, shall be a  
2 reimbursable expense up to one million dollars (\$1,000,000) per project.

3 (j) If, within thirty (30) years of construction, a newly constructed school is sold to a private  
4 entity, the state shall receive a portion of the sale proceeds equal to that project's housing aid  
5 reimbursement rate at the time of project completion.

6 (k) All projects must comply with § 37-13-6, ensuring that prevailing wage laws are being  
7 followed, and § 37-14.1-6, ensuring that minority business enterprises reach a minimum of ten  
8 percent (10%) of the dollar value of the bid.

9 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would provide that for certain school construction projects, interest payments  
2   made by municipalities on approved projects would be eligible for state reimbursement each fiscal  
3   year commencing with the date of the first interest payment, regardless of whether the construction  
4   project is completed or not.

5           This act would take effect upon passage.

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